

REFERENCE TITLE: **contractor regulation**

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1417

Introduced by
Senator Leff

AN ACT

AMENDING SECTIONS 32-1121, 32-1132, 32-1139, 32-1154 AND 32-1155, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 10, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5; RELATING TO CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-1121, Arizona Revised Statutes, is amended to
3 read:

4 32-1121. Persons not required to be licensed; penalties

5 A. This chapter shall not be construed to apply to:

6 1. An authorized representative of the United States government, this
7 state or any county, incorporated city or town, reclamation district,
8 irrigation district or other municipality or political subdivision of this
9 state.

10 2. Trustees of an express trust that is not formed for the purpose of
11 conducting business as a contractor or officers of a court, if they are
12 acting within the terms of their trust or office.

13 3. Public utilities operating under regulation of the corporation
14 commission or construction, repair or operation incidental to discovering or
15 producing petroleum or gas, or the drilling, testing, abandoning or other
16 operation of a petroleum or gas well, if performed by an owner or lessee.

17 4. Any materialman, manufacturer or retailer ~~furnishing~~ WHO FURNISHES
18 finished products, materials or articles of merchandise AND who does not
19 install or attach such items or installs or attaches such items if the total
20 value of the sales contract or transaction involving such items and the cost
21 of the installation or attachment of such items to a structure does not
22 exceed one thousand dollars, including labor, materials and all other items,
23 but excluding any electrical fixture or appliance that was designed by the
24 manufacturer, that is unaltered, unchanged or unmodified by any person, that
25 can be plugged into a common household electrical outlet utilizing a two
26 pronged or three pronged electrical connector and that does not use any other
27 form of energy, including natural gas, propane or other petroleum or gaseous
28 fuel, to operate or is attached by a nail, screw or other fastening device to
29 the frame or foundation of any residential structure. The materialman,
30 manufacturer or retailer shall inform the purchaser that the installation may
31 also be performed by a licensed contractor whose name and address the
32 purchaser may request.

33 5. Owners of property who improve such property or who build or
34 improve structures or appurtenances on such property and who do the work
35 themselves, with their own employees or with duly licensed contractors, if
36 the structure, group of structures or appurtenances, including the
37 improvements thereto, are intended for occupancy solely by the owner and are
38 not intended for occupancy by members of the public as the owner's employees
39 or business visitors and the structures or appurtenances are not intended for
40 sale or for rent. ~~In all actions brought under this chapter, proof of the~~
41 ~~sale or rent or the offering for sale or rent of any such structure by the~~
42 ~~owner-builder within one year after completion or issuance of a certificate~~
43 ~~of occupancy is prima facie evidence that such project was undertaken for the~~
44 ~~purpose of sale or rent.~~ For the purposes of this paragraph, "sale" or
45 "rent" includes any arrangement by which the owner receives compensation in

1 money, provisions, chattels or labor from the occupancy or the transfer of
2 the property or the structures on the property.

3 6. Owners of property who are acting as developers and who build
4 structures or appurtenances to structures on their property for the purpose
5 of sale or rent and who contract for such a project with a general contractor
6 licensed pursuant to this chapter and owners of property who are acting as
7 developers, who improve structures or appurtenances to structures on their
8 property for the purpose of sale or rent and who contract for such a project
9 with a general contractor or specialty contractors licensed pursuant to this
10 chapter. To qualify for the exemption under this paragraph, the licensed
11 contractors' names and license numbers shall be included in all sales
12 documents.

13 7. Architects or engineers who are engaging in their professional
14 practice as defined in chapter 1 of this title and who hire or offer to hire
15 the services of a contractor for preconstruction activities relating to
16 investigation and discovery including:

17 (a) Subsurface utility location and designation services.

18 (b) Potholing.

19 (c) Drilling for any of the following:

20 (i) Soil samples.

21 (ii) Rock samples.

22 (iii) Pavement samples.

23 (d) Locating existing features of a building or structure including
24 existing electrical, mechanical, plumbing and structural members.

25 8. A person licensed, certified or registered pursuant to chapter 22
26 of this title or a person working under the direct supervision of a person
27 certified or qualified pursuant to chapter 22 of this title to the extent the
28 person is engaged in structural pest control.

29 9. The sale or installation of finished products, materials or
30 articles of merchandise which are not fabricated into and do not become a
31 permanent fixed part of the structure. This exemption does not apply if a
32 local building permit is required, if the total price of the finished
33 product, material or article of merchandise, including labor but excluding
34 any electrical fixture or appliance that was designed by the manufacturer,
35 that is unaltered, unchanged or unmodified by any person, that can be plugged
36 into a common household electrical outlet utilizing a two pronged or three
37 pronged electrical connector and that does not use any other form of energy,
38 including natural gas, propane or other petroleum or gaseous fuel, to operate
39 or is attached by a nail, screw or other fastening device to the frame or
40 foundation of any residential structure, is more than one thousand dollars or
41 if the removal of the finished product, material or article of merchandise
42 causes damage to the structure or renders the structure unfit for its
43 intended use.

44 10. Employees of the owners of condominiums, townhouses, cooperative
45 units or apartment complexes of four units or less or the owners' management

1 agent or employees of the management agent repairing or maintaining
2 structures owned by them.

3 11. Any person who engages in the activities regulated by this chapter,
4 as an employee of an exempt property owner or as an employee with wages as
5 the person's sole compensation.

6 12. A surety company or companies which are authorized to transact
7 business in this state and which undertake to complete a contract on which
8 they issued a performance or completion bond, provided all construction work
9 is performed by duly licensed contractors.

10 13. Insurance companies which are authorized to transact business in
11 this state and which undertake to perform repairs resulting from casualty
12 losses pursuant to the provisions of a policy, provided all construction work
13 is performed by duly licensed contractors.

14 14. Any person other than a licensed contractor engaging in any work or
15 operation on one undertaking or project by one or more contracts, for which
16 the aggregate contract price, including labor, materials and all other items,
17 but excluding any electrical fixture or appliance that was designed by the
18 manufacturer, that is unaltered, unchanged or unmodified by any person, that
19 can be plugged into a common household electrical outlet utilizing a two
20 pronged or three pronged electrical connector and that does not use any other
21 form of energy, including natural gas, propane or other petroleum or gaseous
22 fuel, to operate or is attached by a nail, screw or other fastening device to
23 the frame or foundation of any residential structure, is less than one
24 thousand dollars. The work or operations which are exempt under this
25 paragraph shall be of a casual or minor nature. This exemption does not
26 apply:

27 (a) In any case in which the performance of the work requires a local
28 building permit.

29 (b) In any case in which the work or construction is only a part of a
30 larger or major operation, whether undertaken by the same or a different
31 contractor, or in which a division of the operation is made in contracts of
32 amounts less than one thousand dollars, excluding any electrical fixture or
33 appliance that was designed by the manufacturer, that is unaltered, unchanged
34 or unmodified by any person, that can be plugged into a common household
35 electrical outlet utilizing a two pronged or three pronged electrical
36 connector and that does not use any other form of energy, including natural
37 gas, propane or other petroleum or gaseous fuel, to operate or is attached by
38 a nail, screw or other fastening device to the frame or foundation of any
39 residential structure, for the purpose of evasion of this chapter or
40 otherwise.

41 (c) To a person who utilizes any form of advertising to the public in
42 which the person's unlicensed status is not disclosed by including the words
43 "not a licensed contractor" in the advertisement.

1 15. A person who is licensed, certified or registered pursuant to
2 title 41, chapter 16 and who is not otherwise required to be licensed under
3 this chapter or an employee of such person.

4 16. A person who functions as a gardener by performing lawn, garden,
5 shrub and tree maintenance.

6 B. A person who is licensed to perform work in a particular trade
7 pursuant to this chapter shall not be required to obtain and maintain a
8 separate license for mechanical or structural service work performed within
9 the scope of such trade by such person.

10 C. Any person who does not have an exemption from licensure pursuant
11 to subsection A, paragraph 14, subdivision (c) of this section is subject to
12 prosecution for a violation of section 44-1522. The attorney general may
13 investigate the act or practice and take appropriate action pursuant to title
14 44, chapter 10, article 7.

15 Sec. 2. Section 32-1132, Arizona Revised Statutes, is amended to read:

16 32-1132. Residential contractors' recovery fund

17 A. The residential contractors' recovery fund is established, to be
18 administered by the registrar, from which any person injured by an act,
19 representation, transaction or conduct of a residential contractor licensed
20 pursuant to this chapter that is in violation of this chapter or the rules
21 adopted pursuant to this chapter may be awarded in the county where the
22 violation occurred an amount of not more than ~~thirty~~ SIXTY thousand dollars
23 for damages sustained by the act, representation, transaction or conduct. An
24 award from the fund is limited to the actual damages suffered by the claimant
25 as a direct result of the contractor's violation but shall not exceed an
26 amount necessary to complete or repair a residential structure or
27 appurtenance within residential property lines. Actual damages shall not be
28 established by bids supplied by or the value of work performed by a person or
29 entity that is not licensed pursuant to this chapter and that is required to
30 be licensed pursuant to this chapter. If the claimant has paid a deposit or
31 down payment and no actual work is performed or materials are delivered, the
32 award of actual damages shall not exceed the exact dollar amount of the
33 deposit or down payment plus interest at the rate of ten per cent a year from
34 the date the deposit or down payment is made or not more than ~~thirty~~ SIXTY
35 thousand dollars, whichever is less. Interest shall not be paid from the
36 fund on any other awards under this chapter unless ordered by a court of
37 competent jurisdiction. An award from the fund shall not be available to
38 persons injured by an act, representation, transaction or conduct of a
39 residential contractor who was not licensed pursuant to this chapter or whose
40 license was in an inactive status, expired, cancelled, revoked, suspended or
41 not issued at the time of the contract. No more than the maximum individual
42 award from the fund shall be made on any individual residence or to any
43 injured person. Notwithstanding any other provision of law, monies in the
44 residential contractors' recovery fund shall not be directly awarded for

1 attorney fees or costs except in contested cases appealed to the superior
2 court.

3 B. Except as provided in section 32-1152, subsection C, every person
4 making application for a contractor's license or for renewal of a
5 contractor's license to engage in residential contracting shall pay an
6 assessment of not more than six hundred dollars during the biennial license
7 period for deposit in the fund. In the event that the registrar does not
8 issue the license, this assessment shall be returned to the applicant.

9 Sec. 3. Section 32-1139, Arizona Revised Statutes, is amended to read:

10 32-1139. Liability of fund for each residential contractor's
11 license; suspension of license; repayment

12 A. The liability of the fund shall not exceed ~~two~~ SEVEN hundred FIFTY
13 thousand dollars for any one residential contractor's license. If claims
14 against the fund on behalf of any one residential contractor's license exceed
15 ~~two~~ SEVEN hundred FIFTY thousand dollars, the claims shall be paid in order
16 of the date of entry of the order of the registrar or court, and the
17 registrar or a court entering an order for payment after the sum of ~~two~~ SEVEN
18 hundred FIFTY thousand dollars has been paid from the fund shall modify the
19 order indicating that no further recovery from the fund shall be allowed.

20 B. If any amount is paid from the fund in settlement of a claim
21 arising from the act, representation, transaction or conduct of a residential
22 contractor, the license of the contractor shall be automatically suspended
23 by operation of law until the amount paid from the fund is repaid in full,
24 plus interest at the rate of ten per cent a year. Any person who is or was,
25 at the time of the act or omission, named on a license that has been
26 suspended because of a payment from the recovery fund is not eligible to
27 receive a new license or retain another existing license that also shall be
28 suspended by operation of law, nor shall any suspended license be
29 reactivated, until the amount paid from the fund is repaid as provided in
30 this subsection.

31 Sec. 4. Section 32-1154, Arizona Revised Statutes, is amended to read:

32 32-1154. Grounds for suspension or revocation of license;
33 continuing jurisdiction; civil penalty; recovery
34 fund award; summary suspension

35 A. The holder of a license or any person listed on a license pursuant
36 to this chapter shall not commit any of the following acts or omissions:

37 1. Abandonment of a contract or refusal to perform after submitting a
38 bid on work without legal excuse for the abandonment or refusal.

39 2. Departure from or disregard of plans or specifications or any
40 building codes of the state or any political subdivision of the state in any
41 material respect which is prejudicial to another without consent of the owner
42 or the owner's duly authorized representative and without the consent of the
43 person entitled to have the particular construction project or operation
44 completed in accordance with such plans and specifications and code.

- 1 3. Violation of any rule adopted by the registrar.
- 2 4. Failure to comply with the statutes or rules governing social
- 3 security, workers' compensation or unemployment insurance.
- 4 5. Failure to pay income taxes, withholding taxes or any tax imposed
- 5 by title 42, chapter 5, articles 1 and 4 and incurred in the operation of the
- 6 licensed business.
- 7 6. Misrepresentation of a material fact by the applicant in obtaining
- 8 a license.
- 9 7. The doing of a wrongful or fraudulent act by the licensee as a
- 10 contractor resulting in another person being substantially injured.
- 11 8. Conviction of a felony.
- 12 9. Failure in a material respect by the licensee to complete a
- 13 construction project or operation for the price stated in the contract, or in
- 14 any modification of the contract.
- 15 10. Aiding or abetting a licensed or unlicensed person to evade this
- 16 chapter, knowingly or recklessly combining or conspiring with a licensed or
- 17 unlicensed person, allowing one's license to be used by a licensed or
- 18 unlicensed person or acting as agent, partner, associate or otherwise of a
- 19 licensed or unlicensed person with intent to evade this chapter.
- 20 11. Failure by a licensee or agent or official of a licensee to pay
- 21 monies in excess of seven hundred fifty dollars when due for materials or
- 22 services rendered in connection with the licensee's operations as a
- 23 contractor when the licensee has the capacity to pay or, if the licensee
- 24 lacks the capacity to pay, when the licensee has received sufficient monies
- 25 as payment for the particular construction work project or operation for
- 26 which the services or materials were rendered or purchased.
- 27 12. Failure of a contractor to comply with any safety or labor laws or
- 28 codes of the federal government, state or political subdivisions of the
- 29 state.
- 30 13. Failure in any material respect to comply with this chapter.
- 31 14. Knowingly entering into a contract with a contractor for work to be
- 32 performed for which a license is required with a person not duly licensed in
- 33 the required classification.
- 34 15. Acting in the capacity of a contractor under any license issued
- 35 under this chapter in a name other than as set forth upon the license.
- 36 16. False, misleading or deceptive advertising whereby any member of
- 37 the public may be misled and injured.
- 38 17. Knowingly contracting beyond the scope of the license or licenses
- 39 of the licensee.
- 40 18. Contracting or offering to contract or submitting a bid while the
- 41 license is under suspension or while the license is on inactive status.
- 42 19. Failure to notify the registrar in writing within a period of
- 43 fifteen days of any disassociation of the person who qualified for the
- 44 license. Such licensee shall have sixty days from the date of such
- 45 disassociation to qualify through another person.

20. Subsequent discovery of facts which if known at the time of issuance of a license or the renewal of a license would have been grounds to deny the issuance or renewal of a license.

21. Having a person named on the license who is named on any other license in this state or in another state which is under suspension or revocation unless the prior revocation was based solely on a violation of this paragraph.

22. Continuing a new single family residential construction project with actual knowledge that a pretreatment wood-destroying pests or organisms application was either:

(a) Not performed at the required location.

(b) Performed in a manner inconsistent with label requirements, state law or rules.

23. Failure to take appropriate corrective action to comply with this chapter or with rules adopted pursuant to this chapter without valid justification within a reasonable period of time after receiving a written directive from the registrar. The written directive shall set forth the time within which the contractor is to complete the remedial action. The time permitted for compliance shall not be less than fifteen days from the date of issuance of the directive. A license shall not be revoked or suspended nor shall any other penalty be imposed for a violation of this paragraph until after a hearing has been held.

24. Prohibit, threaten to prohibit, retaliate, threaten to retaliate or otherwise intimidate any contractor or materialman from serving a preliminary notice pursuant to section 33-992.01.

B. The registrar may on the registrar's own motion, and shall on the written complaint of any ~~person~~ OWNER OR CONTRACTOR THAT IS A PARTY TO A CONSTRUCTION CONTRACT, investigate the acts of any contractor within this state and may temporarily suspend, with or without imposition of specific conditions in addition to increased surety bond or cash deposit requirements, or permanently revoke any or all licenses issued under this chapter if the holder of the license issued pursuant to this chapter is guilty of or commits any of the acts or omissions set forth in subsection A of this section. FOR THE PURPOSES OF THIS SUBSECTION:

1. "CONSTRUCTION CONTRACT" MEANS A WRITTEN OR ORAL AGREEMENT RELATING TO THE CONSTRUCTION, ALTERATION, REPAIR, MAINTENANCE, MOVING OR DEMOLITION OF ANY BUILDING, STRUCTURE OR IMPROVEMENT OR RELATING TO THE CONTRACTOR'S EXCAVATION OF OR OTHER DEVELOPMENT OR IMPROVEMENT TO LAND IF THE REGISTRAR INVESTIGATES THE CONTRACTOR'S ACTIONS UNDER THIS SUBSECTION.

2. "OWNER" MEANS ANY PERSON, FIRM, PARTNERSHIP, CORPORATION, ASSOCIATION OR OTHER ORGANIZATION, OR A COMBINATION OF ANY OF THEM, THAT CAUSES A BUILDING, STRUCTURE OR IMPROVEMENT TO BE CONSTRUCTED, ALTERED, REPAIRED, MAINTAINED, MOVED OR DEMOLISHED OR THAT CAUSES LAND TO BE EXCAVATED OR OTHERWISE DEVELOPED OR IMPROVED, WHETHER THE INTEREST OR ESTATE OF THE PERSON IS IN FEE, AS VENDEE UNDER A CONTRACT TO PURCHASE, AS LESSEE OR

1 ANOTHER INTEREST OR ESTATE LESS THAN FEE, PURSUANT TO A CONSTRUCTION
2 CONTRACT.

3 C. The expiration, cancellation, suspension or revocation of a license
4 by operation of law or by decision and order of the registrar or a court of
5 law or the voluntary surrender of a license by a licensee shall not deprive
6 the registrar of jurisdiction to proceed with any investigation of or action
7 or disciplinary proceeding against such licensee, or to render a decision
8 suspending or revoking such a license, or denying the renewal or right of
9 renewal of such license.

10 D. The registrar may impose a civil penalty of not to exceed five
11 hundred dollars on a contractor for each violation of subsection A, paragraph
12 23 of this section. Civil penalties collected pursuant to this subsection
13 shall be deposited in the residential contractors' recovery fund. The
14 failure by the licensee to pay any civil penalty imposed under this
15 subsection results in the automatic revocation of the license thirty days
16 after the effective date of the order providing for the civil penalty. No
17 future license may be issued to an entity consisting of a person associated
18 with the contractor, as defined in section 32-1101, subsection A, paragraph
19 5, unless payment of any outstanding civil penalty is tendered.

20 E. The registrar shall impose a civil penalty of not to exceed one
21 thousand dollars on a contractor for each violation of subsection A,
22 paragraph 18 of this section. Civil penalties collected pursuant to this
23 subsection shall be deposited in the residential contractors' recovery fund.
24 The failure by the licensee to pay any civil penalty imposed under this
25 subsection results in the automatic permanent revocation of the license
26 thirty days after the effective date of the order providing for the civil
27 penalty. No future license may be issued to an entity consisting of a person
28 associated with the contractor, as defined in section 32-1101, subsection A,
29 paragraph 5, unless payment of any outstanding civil penalty is tendered.

30 F. Notwithstanding any other provisions in this chapter, if a
31 contractor's license has been revoked or has been suspended as a result of an
32 order to remedy a violation of this chapter, and the contractor refuses or is
33 unable to comply with the order of the registrar to remedy the violation, the
34 registrar may order payment from the residential contractors' recovery fund
35 to remedy the violation. The registrar shall serve the contractor with a
36 notice setting forth the amount claimed or to be awarded. If the contractor
37 contests the amount or propriety of the payment, the contractor shall respond
38 within ten days of the date of service by requesting a hearing to determine
39 the amount or propriety of the payment. Failure by the contractor to respond
40 in writing within ten days of the date of service shall be deemed a waiver by
41 the contractor of the right to contest the amount claimed or to be awarded.
42 Service may be made by personal service to the contractor or by mailing a
43 copy of the notice by registered mail with postage prepaid to the
44 contractor's latest address of record on file in the registrar's office. If
45 service is made by registered mail, it is effective five days after the

notice is mailed. Except as provided in section 41-1092.08, subsection H, the contractor or injured person may seek judicial review of the registrar's final award pursuant to title 12, chapter 7, article 6.

Sec. 5. Section 32-1155, Arizona Revised Statutes, is amended to read:

32-1155. Filing of complaint; resolution of complaint; service of notice; failure to answer; prohibited citations

A. Upon the filing of a written complaint with the registrar charging a licensee with the commission, within two years prior to the date of filing the complaint, of an act that is cause for suspension or revocation of a license, the registrar after investigation may issue a citation ~~or upon written request of the complainant may issue a citation~~ directing the licensee, within ten days after service of the citation upon the licensee, to appear by filing with the registrar the licensee's written answer to the citation and complaint showing cause, if any, why the licensee's license should not be suspended or revoked. Service of citation upon the licensee shall be fully effected by personal service or by mailing a true copy thereof, together with a true copy of the complaint, by registered mail in a sealed envelope with postage prepaid and addressed to the licensee at the licensee's latest address of record in the registrar's office. Service of the citation and complaint shall be complete at the time of personal service or five days after deposit in the mail. The two year period prescribed by this subsection shall commence on the earlier of the close of escrow or actual occupancy for new home or other new building construction and otherwise shall commence on completion of the specific project.

B. Failure of the licensee to answer within ten days after service shall be deemed an admission by the licensee of the licensee's commission of the act or acts charged in the complaint and the registrar may then suspend or revoke the licensee's license.

C. THE REGISTRAR SHALL NOT ISSUE A CITATION FOR FAILURE TO PERFORM WORK IN A PROFESSIONAL AND WORKMANLIKE MANNER OR IN ACCORDANCE WITH ANY APPLICABLE BUILDING CODES AND PROFESSIONAL INDUSTRY STANDARDS IF EITHER:

1. THE CONTRACTOR IS NOT PROVIDED AN OPPORTUNITY TO INSPECT THE WORK WITHIN A REASONABLE PERIOD OF TIME NOT MORE THAN FIFTEEN DAYS AFTER RECEIVING A WRITTEN NOTICE FROM THE REGISTRAR.

2. THE WORK HAS BEEN SUBJECT TO OWNER NEGLECT, MODIFICATION OR ABNORMAL USE.

Sec. 6. Title 32, chapter 10, Arizona Revised Statutes, is amended by adding article 5, to read:

ARTICLE 5. GENERAL REMODELING AND REPAIR CONTRACTORS

32-1171. Workers' compensation violation; license suspension; fingerprinting; complaints; summary suspension

A. NOTWITHSTANDING ANY OTHER LAW, IF A GENERAL REMODELING AND REPAIR CONTRACTOR VIOLATES ANY WORKERS' COMPENSATION LAW UNDER TITLE 23, THE REGISTRAR SHALL SUSPEND THE CONTRACTOR'S LICENSE.

1 B. NOTWITHSTANDING SECTION 32-1122, BEFORE RECEIVING, RENEWING AND
2 HOLDING A GENERAL REMODELING AND REPAIR CONTRACTOR LICENSE, THE REGISTRAR
3 SHALL REQUIRE A LICENSE APPLICANT OR LICENSEE TO SUBMIT TO THE REGISTRAR A
4 FULL SET OF FINGERPRINTS AND THE FEES REQUIRED IN SECTION 41-1750. THE
5 REGISTRAR SHALL SUBMIT THE FINGERPRINTS AND FEES TO THE DEPARTMENT OF PUBLIC
6 SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS
7 CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF
8 PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF
9 INVESTIGATION.

10 C. A GENERAL REMODELING AND REPAIR CONTRACTOR WHO IS THE SUBJECT OF AT
11 LEAST FIVE UNRESOLVED AND SUBSTANTIATED COMPLAINTS IN A TWELVE MONTH PERIOD
12 SHALL NOT ACCEPT NEW PROJECTS UNTIL THE NUMBER OF UNRESOLVED AND
13 SUBSTANTIATED COMPLAINTS RELATING TO THE CONTRACTOR'S WORK PERFORMANCE IS
14 BELOW FIVE IN A TWELVE MONTH PERIOD.

15 D. NOTWITHSTANDING SECTION 32-1154, IF THE REGISTRAR FINDS, BASED ON
16 ITS INVESTIGATION, THAT THE PUBLIC HEALTH AND SAFETY REQUIRES EMERGENCY
17 ACTION, THE REGISTRAR SHALL ORDER A SUMMARY SUSPENSION OF A GENERAL
18 REMODELING AND REPAIR CONTRACTOR LICENSE PENDING PROCEEDINGS FOR REVOCATION
19 OR OTHER ACTION. THE REGISTRAR SHALL SERVE THE LICENSEE WITH A WRITTEN
20 NOTICE OF COMPLAINT AND FORMAL HEARING, SETTING FORTH THE CHARGES MADE
21 AGAINST THE LICENSEE AND THE LICENSEE'S RIGHT TO A FORMAL HEARING BEFORE THE
22 REGISTRAR PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.